

## Message Text

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FM SECSTATE WASHDC

TO ALL DIPLOMATIC POSTS

XMT AMEMBASSY ALGIERS

USINT BAGHDAD

AMEMBASSY BELGRADE

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY BUENOS AIRES

AMEMBASSY CAIRO

AMEMBASSY CARACAS

USMISSION GENEVA

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KINGSTON

AMEMBASSY LAGOS

AMEMBASSY LIMA

AMEMBASSY LUSAKA

AMEMBASSY MEXICO

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

AMEMBASSY TEHRAN

USMISSION USUN NEW YORK

AMEMBASSY YAOUNDE

AMEMBASSY ATHENS

AMEMBASSY ANKARA

AMEMBASSY BONN

AMEMBASSY BERN

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AMEMBASSY COPENHAGEN

AMEMBASSY CANBERRA

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY LISBON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID  
AMEMBASSY OTTAWA  
AMEMBASSY OSLO  
AMEMBASSY ROME  
AMEMBASSY REYKJAVIK  
AMEMBASSY STOCKHOLM  
AMEMBASSY TOKYO  
AMEMBASSY THE HAGUE  
AMEMBASSY VIENNA  
AMEMBASSY WELLINGTON

C O N F I D E N T I A L STATE 138832

FOLLOWING REPEAT PARIS 16350 ACTION SECSTATE INFO ALL OECD  
CAPITALS ALGIERS BAGHDAD BELGRADE BRASILIA BRUSSELS BUENOS  
AIRES CAIRO CARACAS GENEVA ISLAMABAD JAKARTA JIDDA KINGSTON  
LAGOS LIMA LUSAKA MEXICO NEW DELHI TEHRAN USUN NY  
YAOUNDE WASHDC JUN 03, 1977

QTE C O N F I D E N T I A L PARIS 16350  
USOECD

USEEC ALSO FOR AMEMBASSY BRUSSELS

USMTN ALSO FOR USMISSION

USINFO FOR IPS BRAKE

E.O. 11652: GDS  
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TAGS: OECD, CIEC, EGEN, ETRD, EFIN, EAID, ENRG  
SUBJECT: CONFERENCE ON INTERNATIONAL ECONOMIC  
COOPERATION -- FINAL DAY

1. SUMMARY. CIEC CAME TO A SATISFACTORY CONCLUSION  
DURING THE EARLY MORNING HOURS ON JUNE 3. THE TWO  
SIDES REACHED AGREEMENT ON A NUMBER OF ISSUES IN THE  
FOUR AREAS OF CIEC: ENERGY, RAW MATERIALS, DEVELOPMENT,  
AND FINANCIAL AFFAIRS. GAP IN PACKAGE WAS LACK OF  
AGREEMENT ON ON-GOING ENERGY CONSULTATION PROCESS.  
WHILE THE AREAS OF AGREEMENT FELL SHORT OF G-19  
ASPIRATIONS, THE SUBSTANTIVE OUTCOME WAS GENERALLY  
FAVORABLE. THE TONE AND ATMOSPHERE OF THE CIEC  
CONCLUSION SHOULD HAVE A POSITIVE IMPACT ON FUTURE  
NORTH/SOUTH RELATIONS. END SUMMARY

2. THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION  
CONCLUDED AT 2:15 A.M. ON JUNE 3, ONE DAY LATER THAN  
SCHEDULED. THE FINAL CONFERENCE COMMUNIQUE WAS

ADOPTED BY CONSENSUS. THE COMMUNIQUE RECORDED AGREEMENTS ON A RELATIVELY LARGE NUMBER OF MAJOR AND SECONDARY ISSUES; IT ALSO TOOK NOTE OF THE LACK OF AGREEMENT ON SEVERAL IMPORTANT ISSUES. AGREEMENT WAS ACHIEVED ON GUIDELINES FOR ENERGY SUPPLY AND COOPERATION, ON THE PRINCIPLE OF A COMMON FUND, FOR INCREASED AND MORE EFFECTIVE OFFICIAL DEVELOPMENT ASSISTANCE, FOR ENHANCED PUBLIC FINANCING FOR ENERGY AND RAW MATERIALS DEVELOPMENT, ON THE SPECIAL ACTION PROGRAM OF ONE BILLION DOLLARS TO ASSIST THE POOREST COUNTRIES ON A RELATIVELY FAST-DISBURSING BASIS, AS WELL AS OTHER SUBJECTS RELATED TO TRANSFER OF TECHNOLOGY, INDUSTRIALIZATION, AND FOOD AND AGRICULTURE. THE KEY DISAPPOINTMENT WAS FAILURE TO GET CONFERENCE AGREEMENT ON AN ON-GOING ENERGY DIALOGUE. THE FINAL CIEC COMMUNIQUE IS TRANSMITTED BY SEPTTEL.

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3. AN INTEGRAL ELEMENT IN THE FINAL CIEC COMPROMISE, WHICH THE G-19 RELUCTANTLY ACCEPTED, WAS THAT THE RESULTS OF CIEC COULD NOT BE POCKETED BY THE G-19 AND THEN CONDEMNED IN A UNILATERAL DECLARATION. IN THE SECTION OF THE COMMUNIQUE DEVOTED TO EXPRESSION OF G-19 VIEWS (PARA 8), THE PROGRESS MADE IN CIEC IN MEETING CERTAIN OF THE PROPOSALS OF THE DEVELOPING COUNTRIES IS RECOGNIZED WHILE NOTING THAT AGREEMENT HAD NOT BEEN REACHED ON MANY PROPOSALS AND THAT THE CIEC CONCLUSIONS FALL SHORT OF THE QUOTE OBJECTIVES ENVISAGED FOR A COMPREHENSIVE AND EQUITABLE PROGRAM OF ACTION DESIGNED TO ESTABLISH A NEW INTERNATIONAL ECONOMIC ORDER UNQUOTE. THIS WAS BALANCED BY A STATEMENT OF G-8 VIEWS (PARA 9) AND A GENERAL DECLARATION (PARA 10) IN WHICH THE G-19 AND THE G-8 STATE THAT CIEC QUOTE HAS CONTRIBUTED TO A BROADER UNDERSTANDING OF THE INTERNATIONAL ECONOMIC SITUATION AND THAT ITS INTENSIVE DISCUSSIONS HAVE BEEN USEFUL TO ALL PARTICIPANTS UNQUOTE.

4. NEGOTIATIONS WERE INTENSE TUESDAY THROUGH FRIDAY, MAY 30-JUNE 3. ON TUESDAY EVENING, THE DISCUSSIONS TEMPORARILY SEEMED HEADED FOR EARLY AND SATISFACTORY RESOLUTION OF THE DIFFERENCES ON THE MAJOR ELEMENTS OF THE PACKAGE, BUT AS THE EVENING WORE ON THE NEGOTIATIONS STALLED, PRIMARILY OVER THE QUESTION OF AN ON-GOING ENERGY DIALOGUE. THIS ISSUE REMAINED AT THE CENTER OF THE DELIBERATIONS THROUGHOUT THE EARLY HOURS OF WEDNESDAY MORNING. PRIOR TO HIS DEPARTURE AT 3:00 A.M. ON JUNE 2, SECRETARY VANCE AND OTHER G-8 MINISTERS DECIDED IN A LENGTHY POST-MIDNIGHT G-8 CAUCUS FOR SEVERAL G-8 MINISTERS TO ATTEMPT ONE LAST

TIME TO NEGOTIATE THE TOTAL PACKAGE WITH A FEW OF THEIR G-19 COUNTERPARTS. THIS EFFORT WAS HALTED AFTER THREE HOURS WHEN THE G-19 MINISTERS (FOUR OPEC MEMBERS AND THE JAMAICAN) REMAINED ADAMANTLY OPPOSED TO THE ENERGY DIALOGUE.

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5. ON THURSDAY MORNING, THE G-8 PROPOSED TO THE G-19 THAT THE NEGOTIATIONS ON THE UNRESOLVED ISSUES BE TERMINATED, AND THAT THE TWO SIDES TRY TO BRING THE CONFERENCE TO A SATISFACTORY CONCLUSION BY PREPARING A JOINT COMMUNIQUE WHICH ITEMIZED AREAS OF AGREEMENT AND DISAGREEMENT. A SMALL WORKING GROUP, LED BY THE U.S., SUCCEEDED AFTER 14 HOURS OF NEGOTIATION IN DRAFTING THE FINAL COMMUNIQUE AND GETTING SUPPORT FOR IT BY THE G-8 AND G-19. THE COMMUNIQUE WAS ADOPTED BY CONSENSUS AT 2:00 A.M., JUNE 3.

6. DURING THE CLOSING SESSION AND THE NEWS CONFERENCES FOLLOWING THE CONCLUSION OF CIEC, CONFERENCE CO-CHAIRMEN MCEACHEN AND PEREZ-GUERRERO TOOK GENERALLY UPBEAT POSITIONS, ASSERTING THAT THE OVERALL CONCLUSION OF THE CONFERENCE WAS GENERALLY SATISFACTORY. BOTH STRESSED THE IMPORTANCE OF CIEC FOR THE AGREEMENTS IT HAD REACHED AND THE IMPETUS IT WOULD GIVE TO FUTURE NORTH/SOUTH WORK. THE CO-CHAIRMEN ALSO EXPRESSED REGRET THAT SOME AREAS REMAINED UNAGREED.

7. DURING THE FINAL PLENARY, A NUMBER OF NATIONAL DELEGATES DELIVERED FINAL SPEECHES: IRAQ MINISTER KARIM TOOK THE ONLY MARKEDLY NEGATIVE LINE. IN VARYING DEGREES, PAKISTAN FOREIGN MINISTER AHMED, JAMACIAN FOREIGN MINISTER PATTERSON, INDIAN STATE SECRETARY V. K. AHUJA, AND IRAN MINISTER AMOUZEGER, MADE POSITIVE IF NOT EXUBERANT STATEMENTS ABOUT THE ROLE OF CIEC IN THE LONG-TERM NORTH/SOUTH PROCESS. IN HIS NEWS CONFERENCE (OECD PARIS 16316), UNDER SECRETARY COOPER CHARACTERIZED THE CONCLUSION OF CIEC AS SATISFACTORY, WHILE EXPRESSING REGRET OF THE FAILURE TO ACHIEVE ALL WE HOPED, PARTICULARLY AN ON-GOING ENERGY DIALOGUE.

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## Message Attributes

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